

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3976-02
BILL NO.: HB 1650
SUBJECT: Business and Commerce; Employers - Employees; Health, Public; Liability
TYPE: Corrected*
DATE: February 17, 2000

*To correct totals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$47,317	\$56,780	\$59,051
Total Estimated Net Effect on <u>All</u> State Funds	\$47,317	\$56,780	\$59,051

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** assume no staff would provide direct medical treatment and any costs for Immune Globulin (IG) or its administration by local public health agencies would be reimbursed by the establishment with the infected employee. DOH also assumes that establishments requiring employees to be immunized against hepatitis A and implementing safe food-handling practices would not have outbreaks of hepatitis A. In addition, DOH assumes they would be reimbursed for the cost of the IG. DOH states the average cost for IG has increased from \$7.28 in 1996 to \$19.12 in 1999. DOH states the annual average number of persons requiring IG from 1996 through 1999 was 4,412. DOH estimates a cost savings to the department of \$84,357 (4,412 (persons treated) x \$19.12 (cost of vaccine per treatment)) annually as a result of this proposal. DOH states that during the same time period there were six hepatitis A incidents where costs would have exceeded \$20,000. The total cost in excess of the \$20,000 for the period would have been \$110,301. DOH states that if the proposal had been in effect for that time period using a standardized IG cost, DOH would have been reimbursed for sixty-seven percent of their IG cost (\$337,340 - \$110,301 = \$227,129. $\$227,129 / \$337,340 = 67\%$). DOH assumes that applying this percentage to the current estimated average annual cost of vaccine would project annual cost savings to DOH for IG of \$56,780 ($\$84,357 \times 67\% = \$56,780$).

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Savings - Department of Health</u>			
Reimbursements for hepatitis A vaccines	<u>\$47,317</u>	<u>\$56,780</u>	<u>\$59,051</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$47,317</u>	<u>\$56,780</u>	<u>\$59,051</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require establishments listed in Section 196.190 RSMo, with an employee who has contracted hepatitis A, to be liable for up to \$20,000 for the cost of treating co-workers or customers for hepatitis A who are treated through the Department of Health or a local public health agency as a result of their exposure. The cost of treating co-workers or customers would be waived if the establishments implement safe food handling practices as required by the Department of Health's Missouri Food Code and would voluntarily require employees to be immunized for hepatitis A as a condition of employment. Employees could refuse immunization for hepatitis A by providing a written refusal which would be based on a religious, philosophical, or medical reason. Establishments would be required to maintain a record of all written refusals by their employees.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health



Jeanne Jarrett, CPA
Director
February 17, 2000